



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase Change Order Authority For American Recovery And Reinvestment Act Road Overlay Project

RECOMMENDATION:

That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the American Recovery and Reinvestment Act (ARRA) Road Overlay Project (Project), Contract No. 23,321, in the amount of \$90,000, for a total project expenditure authority of \$1,256,154.

DISCUSSION:

BACKGROUND

On September 19, 2009, the Federal Highway Administration authorized the expenditure of \$2,674,796 in ARRA grant funds for Citywide road maintenance. The funding was divided into two separate project contracts. The subject Project contract addresses severely distressed roadway surfaces, improving roads that require extensive spot repairing, and including resurfacing entire roadway surfaces. The other contract is the ARRA Road Maintenance Project that primarily addresses roads with mild to significant distresses by slurry or cape sealing roadway surfaces.

On March 16, 2010, Council awarded the Project construction contract to Nye and Nelson, Inc. (Bid No. 3583), in the amount of \$1,166,154. The original Project Change Order Authority is approximately 12% of the base contract amount of \$1,045,276, or \$120,878.

CURRENT STATUS

Recently, City staff received several complaints that the pavement condition of the Carrillo Street and Highway 101 underpass has degraded significantly this past winter. As a result, the appropriate repair for this portion of roadway is now recommended to be changed from the original surface sealing design to a full depth grind and overlay with new asphalt. The proposed work is estimated to cost an additional \$90,000. This

represents a significant addition to the original scope of work for the Project. In order to safely stay within the Change Order Authority for this additional work, staff recommends increasing the existing Change Order Authority.

The original Change Order Authority of \$120,878 was sufficient to cover items typically associated with minor extra work, including differences between estimated and actual bid quantities. Typical Change Order items include increased areas of spot repairs, extra placement of asphalt leveling, and extra detailing associated with pavement repairs.

BUDGET/FINANCIAL INFORMATION:

FUNDING

The following summarizes the additional expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Initial Contract Amount	\$1,045,276	\$120,878	\$1,166,154
Grind and resurface Carrillo Street underpass	\$0	\$90,000	\$90,000
Totals	\$1,045,276	\$210,878	\$1,256,154

It is recommended that the Change Order Authority be increased by \$90,000, from \$120,878 to \$210,878, to cover the additional work identified in this report. The total project expenditure authority will be increased to \$1,256,154.

The Federal funds allocated for this Project have been previously appropriated by Council. Construction costs for this contract, up to \$1,166,154, are 100% funded by ARRA; however, anything over the original Change Order amount may not be eligible for ARRA grant funding if all of the funding is expended. There are sufficient funds in the Streets Capital Fund to cover the extra work item, if necessary.

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SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office